

ECONOMIC DEVELOPMENT AUTHORITY[261]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code sections 15.106A and 15.356, the Economic Development Authority hereby gives Notice of Intended Action to amend Chapter 48, “Workforce Housing Tax Incentives Program,” Iowa Administrative Code.

2017 Iowa Acts, Senate File 488, provides for a set-aside for small cities under the Workforce Housing Tax Incentives Program administered pursuant to Iowa Code sections 15.351 through 15.356. The proposed amendments reflect the statutory changes to the program, including adding a definition, project requirements, and tax incentives. To prevent excessive buildup on the program’s wait list, the proposed amendments also permit the Authority to stop accepting applications if the total amount of registered projects exceeds the available fiscal year allocation.

The Economic Development Authority Board approved the proposed amendments at its meeting on September 22, 2017.

Interested persons may submit comments on or before October 31, 2017. Comments may be submitted to Jennifer Klein, Economic Development Authority, 200 East Grand Avenue, Des Moines, Iowa 50309; telephone number (515)725-3124; e-mail Jennifer.Klein@iowaeda.com.

These amendments do not have any fiscal impact to the state of Iowa.

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15.356.

The following amendments are proposed.

ITEM 1. Amend rule 261—48.1(15) as follows:

261—48.1(15) Authority. The authority for adopting rules establishing a workforce housing tax incentives program is provided in Iowa Code ~~section~~ sections 15.106A and in 2014 Iowa Acts, House File 2448, ~~section 18~~ and 15.356.

ITEM 2. Adopt the following new definition of “Small city” in rule **261—48.3(15)**:

“*Small city*” means any city or township located in this state, except those located within the 11 most populous counties in the state, as determined by the most recent federal decennial census. For the purposes of this definition, a small city that is located in more than one county shall be considered to be located in the county having the greatest taxable base within the small city.

ITEM 3. Amend subparagraph **48.4(1)“a”(1)** as follows:

(1) Four or more single-family dwelling units, except for a project located in a small city, then two or more single-family dwelling units.

ITEM 4. Amend paragraph **48.4(1)“b”** as follows:

b. The project consists of any of the following:

(1) Rehabilitation, repair, or redevelopment at a brownfield site or grayfield site that results in new dwelling units.

(2) The rehabilitation, repair, or redevelopment of dilapidated dwelling units.

(3) The rehabilitation, repair, or redevelopment of dwelling units located in the upper story of an existing multi-use building.

(4) The new construction, rehabilitation, repair, or redevelopment of dwelling units in a distressed workforce housing community. The authority will determine whether a community is considered a distressed workforce housing community pursuant to subrule 48.4(2).

(5) For a project located in a small city that meets the minimum housing project requirements under this subrule, development at a greenfield site. A project located in a small city is not required to complete the distressed workforce housing community application pursuant to subrule 48.4(2).

ITEM 5. Amend paragraph **48.4(1)“c”** as follows:

c. (1) Except as provided in ~~subparagraph~~ subparagraphs (2) and (3) below, the average dwelling unit cost does not exceed \$200,000 per dwelling unit. For purposes of this rule, the average dwelling unit cost equals the costs directly related to the housing project divided by the total number of dwelling units in the housing project.

(2) The average dwelling unit cost does not exceed \$250,000 per dwelling unit if the project involves the rehabilitation, repair, redevelopment, or preservation of eligible property, as that term is defined in Iowa Code section 404A.1(2). 404A.1(8)“a.”

(3) The average dwelling unit cost does not exceed \$215,000 per dwelling unit if the project is located in a small city.

ITEM 6. Amend paragraph **48.5(1)“a”** as follows:

a. A housing business seeking workforce housing tax incentives provided in rule 261—48.6(15) shall make application to the authority in the manner prescribed in this rule. The authority ~~will~~ may accept applications on a continuous basis and will review applications in the order received. If the total amount of registered projects exceeds the available fiscal year allocation, the authority may stop accepting applications until the registered projects on the wait list have been awarded tax incentives. The authority will acknowledge receipt of the application and notify the applicant within 30 days as to whether the project will be registered pursuant to this rule.

ITEM 7. Amend paragraph **48.6(3)“a”** as follows:

a. A housing business may claim a tax credit in an amount not to exceed the following:

(1) For a housing project not located in a small city, 10 percent of the qualifying new investment of a housing project.

(2) For a housing project located in a small city, 20 percent of the qualifying new investment of a housing project.

ITEM 8. Amend **261—Chapter 48**, implementation sentence, as follows:

These rules are intended to implement 2014 Iowa Acts, House File 2448 Iowa Code section 15.356.